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UNCLAS BAGHDAD 004218

SIPDIS

SENSITIVE

E.O. 12958: N/A

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SUBJECT: PRELIMINARY IRAQI THINKING ON FALL JCRED

REF: BAGHDAD 4084

1. (U) Sensitive but unclassified; not for internet distribution.

2. (SBU) In a meeting with EconOffs and Treasury Attache on October 12, the Minister of Finance's chief of staff shared some of FINMIN Allawi's thinking on the next US/Iraq Joint Commission on Reconstruction and Economic Development (JCRED), currently scheduled for November. He told us that Allawi envisioned that the Iraqi delegation would include the Ministry of Agriculture, Ministry of Industry and Minerals, Minister of Planning, Central Bank of Iraq, the Trade Bank of Iraq and the Ministry of Trade.

3. (SBU) Our contact said that an agenda could be built around the priorities of the respective Ministries, as well as economic reform, private sector development, and various banking and trade issues. Both sides also could use the JCRED to have smaller discussions on more sensitive topics. We suggested that the Arab League Boycott might be usefully addressed at a more restricted meeting. Our contact confirmed that Allawi has not yet thought what kind of deliverables could be prepared for the meeting and is open to suggestions. Allawi, however, does not want to travel to the US but rather wants a meeting close by and suggested Istanbul or Dubai as alternatives. Our interlocutor opined that, as much as the GOI would like to host the JCRED in Baghdad or elsewhere in Iraq, this would be difficult under current conditions.

4. (SBU) We urged that Allawi help push forward the three US/Iraq agreements -- the US/Iraq Investment Incentive Agreement, US/Iraq Trade and Investment Framework Agreement (TIFA), and the US/Iraq Agreement for Economic and Technical Cooperation (Bilateral Assistance Agreement) -- from the July JCRED meeting that currently are hung up in the Presidency Council. Our concern is that the Transitional National Assembly (TNA) still has to ratify these and, due to the domestic political season, would be going on break for 2 weeks starting Sunday, October 16. He agreed to raise our concerns to Allawi to see what might be done to expedite ratification of these agreements.

5. (SBU) COMMENT: The attention of the Iraqi political class to the Constitutional Referendum and local security concerns have made it difficult to raise pending JCRED issues with suitable interlocutors. Given the pending legislative recess, Embassy believes that a late November or early December JCRED would make more sense than an event in mid-November. Please advise. END COMMENT.
Khalilzad